UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF NEW YORK

X
_

In re :

: Chapter 11 SID BOYS CORP. d/b/a Kellogg's Diner, :

Debtor. :

-----x

ORDER CONVERTING CASE TO CHAPTER 7

Case No. 21-42207-ess

Upon the Motion of 514 Fioto Property Corp. and 518 Metropolitan Avenue Corp. (the "Creditors") for an Order (I) Directing Sid Boys Corp. dba Kellogg's Diner (the "Debtor") to Immediately Surrender Premises Due to Deemed Rejection Of Non-Residential Real Property Lease and (II) Converting The Debtor's Chapter 11 Case to a Case Under Chapter 7 pursuant to 11 U.S.C. § 1112(b) (the "Motion to Convert Case") [ECF 44] and the Certificate of Service thereof [ECF 45]; and upon the Debtor's Objection and Reply to the Motion to Convert the Case [ECF 46 and 52], which included a cross-motion regarding rejection of the Debtor's lease for its diner premises (the "Cross-Motion"); and upon the Memorandum of Law Support of Motion to Convert Case filed by 514 Fioto Property Corp. and 518 Metropolitan Avenue Corp. [ECF 50]; and upon the oral argument on the Motion and Cross Motion on November 10, 2022; and upon the record of the adjourned hearing held by the Court on the Motion on January 26, 2023 (the "Hearing"); and upon the status letter filed by the Creditors on January 19, 2023 [ECF 143]; and upon the status letter filed by the Debtor on January 25, 2023 [ECF 148]; and the Court having heard from counsel for parties in interest, including the Creditors, Debtor and United States Trustee at the Hearing and considered the foregoing submissions by the Creditors and the

Debtor, and the Court having determined that sufficient grounds exist under 11 U.S.C. § 1112(b) for conversion of the Debtor's case to a case under Chapter 7 for the reasons stated on the record at the Hearing without having to determine whether the Debtor's lease is deemed rejected, and counsel for the Creditors having on the record withdrawn its request in the Motion for an order compelling the Debtor to immediately surrender its leased premises to 514 Fioto Property Corp.; now therefor, it is hereby

ORDERED, that <u>based on the entire record</u>, the Motion to Convert Case is granted to the extent set forth in this Order and for the reasons set forth on the record of the hearing held on January 26, 2023; and it is further

ORDERED, that the above-referenced case commenced under Chapter 11 be and is hereby converted to a case under Chapter 7 pursuant to 11 U.S.C. § 1112(b) for cause shown; and it is further

ORDERED, that the United States Trustee is directed to appoint a trustee to serve in the **Chapter 7** bankruptcy case; and it is further

ORDERED, that in accordance with Federal Rule of Bankruptcy Procedure 1019(5)(A), the Debtor shall, within 14 days of the date of this Order, file a schedule of unpaid debts incurred after filing the petition and before conversion of the case, including the name and address of each holder of a claim, and within 30 days of the date of this Order file and transmit to the United States Trustee a final report and account; and it is further

ORDERED, that the portion of the relief requested in the Motion seeking to compel the Debtor ω immediately \underline{to} surrender its leased premises is deemed withdrawn without prejudice; and it is further

ORDERED, that the Cross Motion is denied without prejudice as moot.

Dated: Brooklyn, New York January 30, 2023



Elizabeth S. Stong United States Bankruptcy Judge